

# Bush Administration Posts Record Deficits

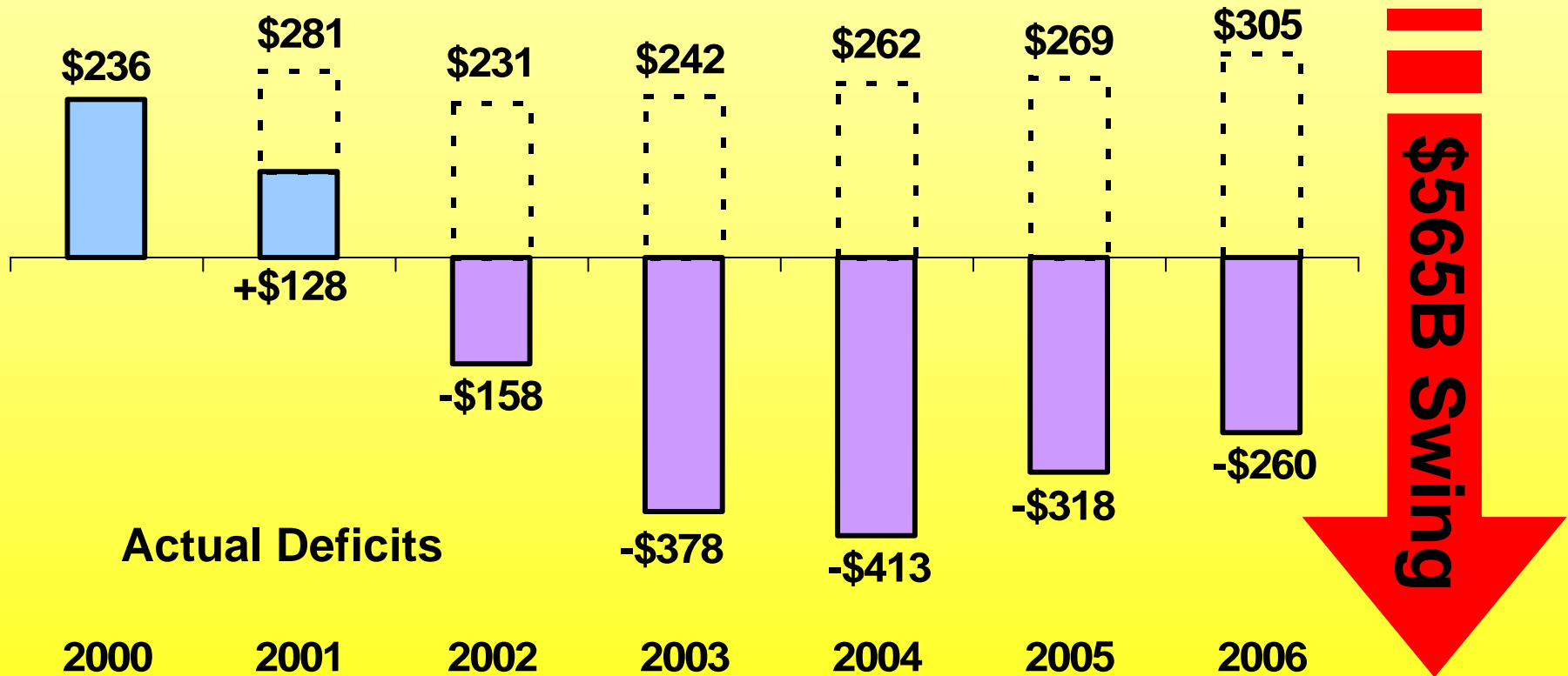
*Largest Deficits in History*

<u>Year</u>	<u>Deficit</u>	<u>Rank</u>
<b>2003</b>	<b>-\$378 Billion</b>	<b>2<sup>nd</sup></b>
<b>2004</b>	<b>-\$413 Billion</b>	<b>1<sup>st</sup></b>
<b>2005</b>	<b>-\$318 Billion</b>	<b>3<sup>rd</sup></b>
<b>2006</b>	<b>-\$260 Billion</b>	<b>6<sup>th</sup></b>

# Projected Surpluses Become Huge Deficits

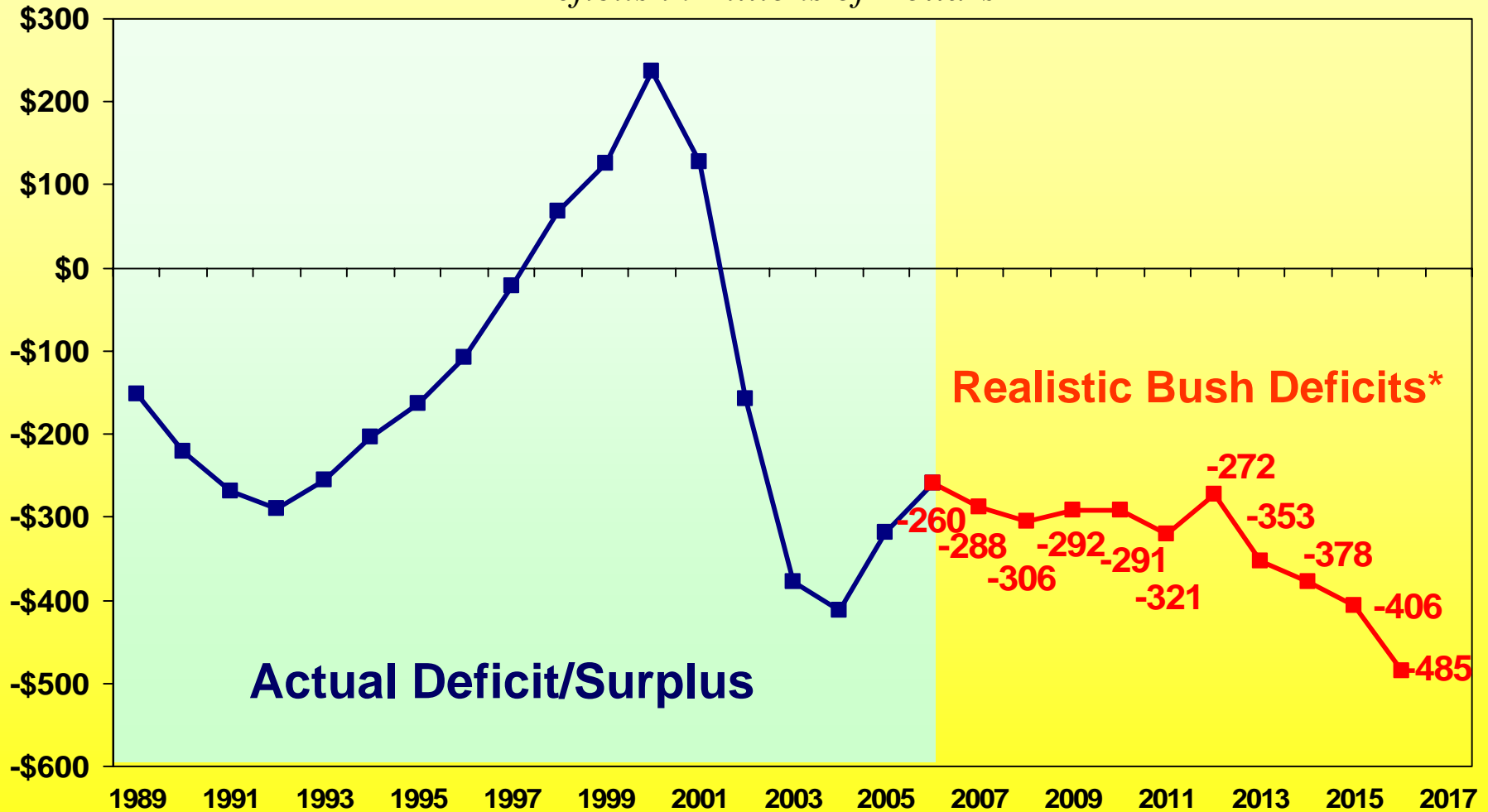
*Budget Surpluses and Deficits in Billions*

**Predicted Surpluses under Bush FY2002 Policies**



# Realistic Bush Deficit Estimates Show Bleak Outlook

*Deficits in Billions of Dollars*



\*10-Year Estimate of Administration's Budget Including Omitted Costs

# Republicans Raised the Debt Limit by **\$3.0 Trillion**

*Debt Limit Increases, in Billions*

June 2002	<b>\$450</b>
May 2003	<b>\$984</b>
November 2004	<b>\$800</b>
March 2006	<b>\$781</b>
<b>Total Increases</b>	<b>\$3,015</b>
Further Increase in FY'07 House Budget Resolution	<b>\$653</b>

# Republicans Nearly Double the Debt Limit

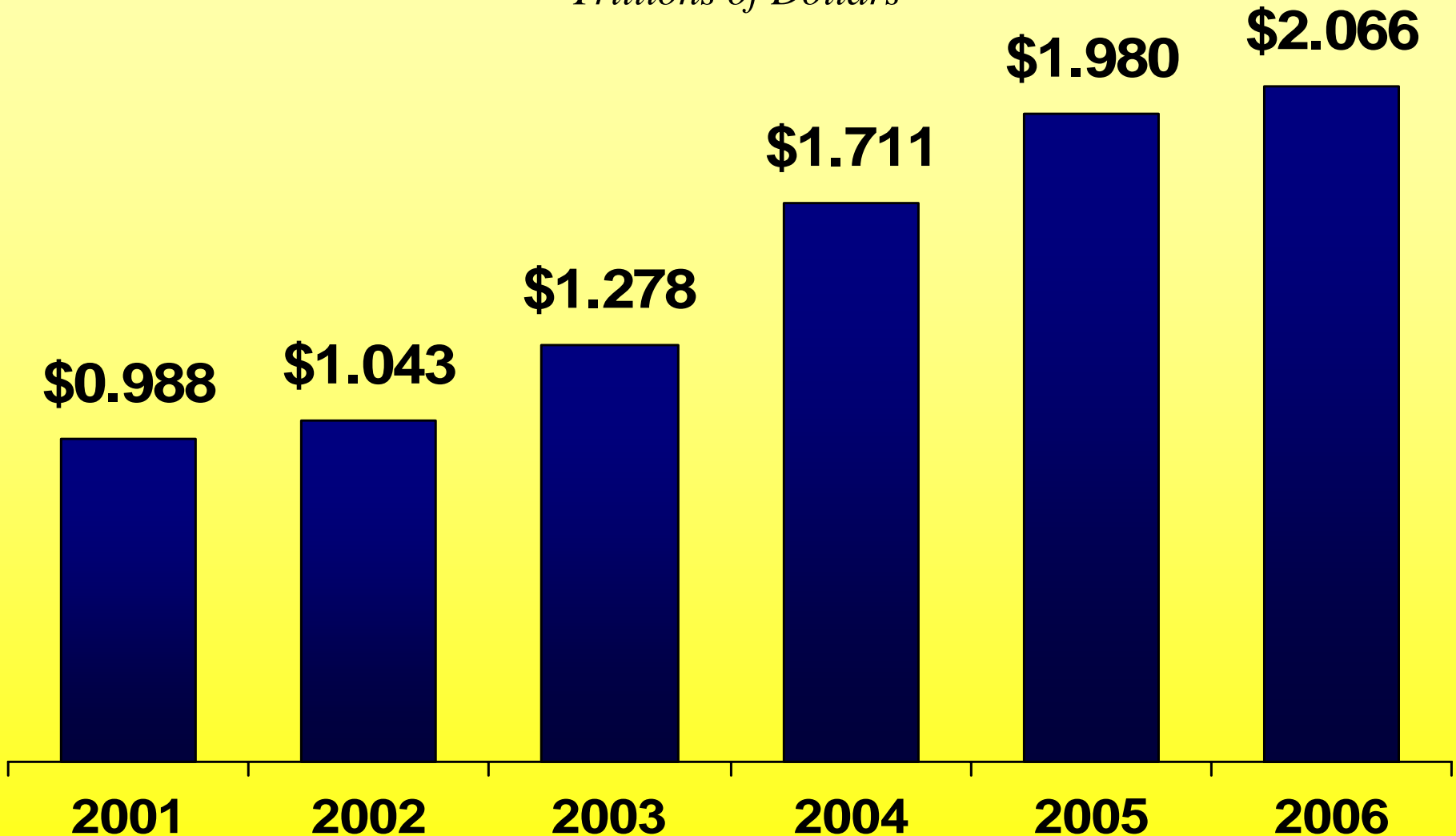
Debt Limit When Bush Took Office	\$5.95 Trillion
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<b>Increases</b>	June 2002	\$6.40 Trillion
	May 2003	\$7.38 Trillion
	November 2004	\$8.18 Trillion
	March 2006	\$8.97 Trillion
	FY07 Budget Resolution	\$9.62 Trillion

Debt Limit Under Republicans by 2011	\$11.3 Trillion
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# Amount of Foreign-Held Debt More Than Doubles Under Bush Administration

*Trillions of Dollars*



*Annual totals calculated in April of each year*

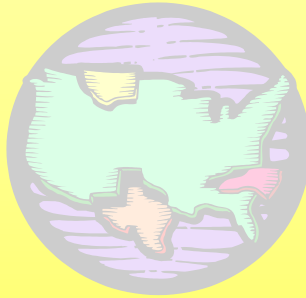
*Prepared by the House Budget Committee Democratic Staff*

*Source: U.S. Treasury International Capital System*

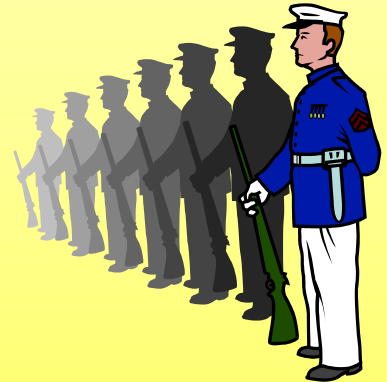
*7/11/2006*

# What Else Could We Do with the **\$504 Million** in Interest the Country Pays **Every Day** on Publicly Held Debt?

- Hire 8,930 new airport screeners



- Provide health care to 71,479 more veterans



- Give each college freshman \$342 in tuition assistance



- Improve Social Security solvency by half a billion dollars



## CBO Budget and Economic Outlook: August 2006 Update

Billions of Dollars

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total 2007-2016	Total 2007-2011
CBO Baseline Deficits, August 2006	-260	-286	-273	-304	-328	-227	-54	-76	-64	-56	-93	-1761	-1418
Repeating Supplemental	0	-70	-139	-179	-203	-222	-237	-253	-269	-286	-305	-2165	-814
Baseline w/o Repeating Supplemental	-260	-216	-134	-125	-124	-4	183	178	205	230	212	404	-604
<b>The President's Budget</b>													
Tax Policies*		-4	-9	-15	-27	-170	-268	-297	-310	-324	-340	-1764	-226
War Funding **		-55	-71	-23	-7	-2	-1	0	0	0	0	-159	-158
Defense Appropriations Increase		-6	-19	-31	-34	-33	-34	-34	-35	-36	-36	-298	-123
Non-Defense Appropriations Cut		1	11	22	31	43	47	49	51	53	55	362	107
Entitlement Cuts		-1	9	14	13	17	16	20	24	32	40	184	52
Social Security Privatization		0	0	-1	-1	-18	-38	-55	-61	-66	-72	-312	-19
Debt Service	0	-2	-6	-8	-10	-15	-26	-41	-58	-77	-96	-338	-40
<b>Total Changes</b>	<b>0</b>	<b>-67</b>	<b>-85</b>	<b>-42</b>	<b>-35</b>	<b>-178</b>	<b>-303</b>	<b>-358</b>	<b>-388</b>	<b>-417</b>	<b>-450</b>	<b>-2325</b>	<b>-408</b>
<b>Resulting Deficits</b>	<b>-260</b>	<b>-284</b>	<b>-219</b>	<b>-167</b>	<b>-159</b>	<b>-183</b>	<b>-119</b>	<b>-181</b>	<b>-183</b>	<b>-188</b>	<b>-238</b>	<b>-1921</b>	<b>-1012</b>
<b>Omitted Items</b>													
Repair AMT***	0	-4	-65	-60	-71	-82	-95	-108	-123	-139	-155	-901	-282
Ongoing Military Operations***	0	0	-19	-57	-48	-37	-32	-31	-30	-29	-30	-313	-161
Debt Service	0	0	-2	-7	-13	-19	-26	-33	-42	-51	-62	-256	-42
<b>Total Changes</b>		<b>-5</b>	<b>-86</b>	<b>-125</b>	<b>-132</b>	<b>-138</b>	<b>-153</b>	<b>-172</b>	<b>-194</b>	<b>-219</b>	<b>-247</b>	<b>-1470</b>	<b>-486</b>
<b>Realistic Bush Deficits</b>	<b>-260</b>	<b>-288</b>	<b>-306</b>	<b>-292</b>	<b>-291</b>	<b>-321</b>	<b>-272</b>	<b>-353</b>	<b>-378</b>	<b>-406</b>	<b>-485</b>	<b>-3391</b>	<b>-1498</b>
<b>The President's Budget (per OMB)</b>	<b>-296</b>	<b>-339</b>	<b>-188</b>	<b>-157</b>	<b>-123</b>	<b>-127</b>							<b>-934</b>

Baseline estimates assume tax cuts expire as written in law and 2006 emergency supplemental funding repeats every year and grows with inflation  
negative items make deficits worse

\* Includes outlay effects. Amounts reduced by tax cuts enacted in H.R. 4297

\*\* \$110 billion for 2007 and \$50 billion for 2008

\*\*\* CBO estimates of policy reduced by amounts included in the President's Budget



# Spending Grows Twice as Fast Under Bush Administration Than Under Clinton

Average Annual Growth Rate, Total Outlays

